MUNICIPAL LIABILITY COVERAGE

Some provisions in this **Coverage Document** restrict coverage. Read the entire **Coverage Document** carefully to determine rights, duties and what is and is not covered. Throughout this **Coverage Document** the terms "we", "us", and "our" refer to the Michigan Municipal League Liability and Property Pool. The words "you" and "your" refer to the **Member** shown in the Declarations. Terms described in bold type are defined in *SECTION VI* — *DEFINITIONS*.

SECTION I — COVERAGES

COVERAGE A --- BODILY INJURY AND PROPERTY DAMAGE LIABILITY

- 1. Coverage Agreement.
 - a. We will pay those sums which the Insured becomes legally obligated to pay as Damages because of Bodily Injury or Property Damage to which this coverage applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SECTION III—LIMITS OF COVERAGE. This coverage applies only to Bodily Injury and Property Damage which occurs during the Coverage Period. The Bodily Injury or Property Damage must be caused by an Occurrence. The Occurrence must take place in the Coverage Territory. We will have the right and duty to defend any Suit seeking those Damages. However:
 - (1) we may investigate and settle any Occurrence, Claim or Suit pursuant to the rules established by the Pool Board of Directors.
 - (2) the amount we will pay for **Damages** is limited as described in SECTION III LIMITS OF COVERAGE.
 - (3) our right and duty to defend end when we have used up the applicable Limit of Liability in the payment of **Damages** as described in SECTION III LIMITS OF COVERAGE.
 - Damages because of Bodily Injury include Damages claimed by any person or organization for care, loss of services or death resulting at any time from the Bodily Injury.
 - c. **Property Damage** that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the **Occurrence** that caused it.

2. Exclusions

This insurance does not apply to

a. Expected or Intended Injury

Bodily Injury or **Property Damage** reasonably expected or intended from the standpoint of the **Insured**. This exclusion does not apply to **Bodily Injury** or **Property Damage** resulting from the use of reasonable force to protect persons or property.

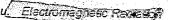
This exclusion does not apply to the use of force in the performance of Law Enforcement Activities.

b. Contractual Liability

Bodily Injury or **Property Damage** for which the **Insured** is obligated to pay **Damages** by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for **Damages**:

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Claims or Suits for Damages resulting from or allegedly arising out of exposure to or contact with electromagnetic radiation.

COVERAGE B — PERSONAL AND ADVERTISING INJURY LIABILITY

1. Coverage Agreement.

- a. We will pay those sums that the Insured becomes legally obligated to pay as Damages because of Personal Injury or Advertising Injury to which this Coverage applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SECTION III
 — LIMITS OF COVERAGE. We will have the right and duty to defend any Suit seeking those Damages. However:
 - we may investigate and settle any Occurrence, Claim or Suit pursuant to the rules established by the Pool Board of Directors;
 - (2) the amount we will pay for **Damages** is limited as described in SECTION III LIMITS OF COVERAGE; and
 - (3) our right and duty to defend end when we have used up the applicable limit of coverage in the payment of **Damages** as described in SECTION III LIMITS OF COVERAGE.

b. This Coverage applies to:

- (1) **Personal Injury** caused by an offense arising out of the conduct of your business, excluding advertising, broadcasting or telecasting done for you; and
- (2) Advertising Injury caused by an offense committed in the course of advertising your goods, products or services; but only if:
 - (a) the offense was committed in the Coverage Territory;
 - (b) the offense was committed during the Coverage Period.

2. Exclusions

This coverage does not apply to:

a. Personal Injury or Advertising Injury:

- arising out of oral or written publication of material, if done by or at the direction of an Insured with knowledge of its falsity;
- arising out of oral or written publication of material whose first publication took place before the beginning of the Coverage Period;
- (3) arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the **Insured**; or
- (4) for which the Insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the Insured would have in the absence of the contract or agreement.

b. Advertising Injury arising out of:

- (1) breach of contract, other than misappropriation of advertising ideas under an implied contract;
- (2) the failure of goods, products or services to conform with advertising quality or performance; or
- (3) the wrong description of the price of goods, products or services.
- (4) broadcasting this exclusion shall not apply to Personal Injury or Advertising Injury resulting from telecasts or broadcasts by an Insured acting within the scope of employment by or duties on behalf of the Member.

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